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Recently Passed Health Insurance Reform Bill Provides Tax Credits for Small Businesses

Washington, DC – This week, the Internal Revenue Service (IRS) will begin sending postcards to 25,709 businesses in New Mexico to notify them of the benefits of the small business health insurance tax credit, which was part of the Patient Protection and Affordable Care Act that was passed in March. ([View the postcard](#))

“Small businesses throughout New Mexico have struggled with high health insurance costs for too long,” said Rep. Luján. “The Patient Protection and Affordable Care Act will help small businesses throughout the state by making health insurance more affordable through tax credits that take effect this year. This is just one of many ways that health insurance reform will benefit the people of New Mexico.”

Tax credits of 25 percent of premium costs are available for small businesses that purchase health insurance for employees if the small business has 25 or fewer employers and average annual wages of \$50,000 or less. Smaller businesses with 10 or fewer full time employees can

receive the maximum tax credit of 35 percent of premium costs. Businesses that contribute at least 50 percent of the total premium costs are eligible.

According to the IRS, eligible small businesses can claim the credit as part of the general business credit starting with the 2010 income tax return they file in 2011.

Businesses can determine if they qualify by using a step-by-step [guide](#) .

[More information about the credit](#) and [answers to frequently asked questions](#) .